

Message Text

CONFIDENTIAL

PAGE 01 MASERU 00290 180931Z

14-11

ACTION AID-59

INFO OCT-01 AF-06 ISO-00 OPIC-03 AGR-05 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 CIEP-01 COME-00 EB-07 FRB-03

OMB-01 TRSE-00 IO-10 IGA-01 /141 W
----- 098123

R 180630Z MAR 75

FM AMEMBASSY MASERU

TO SECSTATE WASHDC 4747

INFO AMEMBASSY GABORONE

AMEMBASSY MBABANE

C O N F I D E N T I A L MASERU 290

DEPARTMENT PASS OPIC

FOR AID ASSISTANT ADMINISTRATOR ADAMS FROM AMBASSADOR

E.O. 11652: GDS

TAGS: EAID, PINT, LT

SUBJECT: GOL REQUEST FOR MANAGING DIRECTOR FOR LNDC

1. SUMMARY: GOL HAS MADE HIGH LEVEL REQUEST OF US TO PROVIDE MANAGING DIRECTOR FOR LESOTHO NATIONAL DEVELOPMENT COPORATION (LNDC), PRINCIPAL INSTITUTION IN LESOTHO FOR ATTRACTING FOREIGN INVESTMENT. GOL DESIRE IS FOR TOP-LEVEL AMERICAN EXECUTIVE WITH WIDE RANGE OF CONTACTS IN COMMERCIAL AND INVESTMENT CIRCLES ABROAD, ESPECIALLY IN US. WHO WILL HAVE HIGH DEGREE CREDIBILITY IN SUCH CIRCLES. I HAVE CONSIDERED ARGUMENTS FOR AND AGAINST OUR ATTEMPTING FILL THIS POSITION AND AM AWARE OF DIFFICULTIES POSED FOR AID BY REQUEST OF THIS NATURE. ON BALANCE, I BELIEVE IMPORTANT US FOREIGN POLICY OBJECTIVES AND LESOTHO'S DEVELOPMENT NEEDS WOULD BE SERVED SUBSTANTIALLY BY OUR ASSISTANCE IN PROVIDING THE DIRECTOR FOR LNDC. I STRONGLY RECOMMEND WE RECRUIT AND HELP FINANCE BEST MAN AVAIL-
ABLE FOR THE POSITION. FINANCIAL REQUIREMENTS FROM US WOULD
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MASERU 00290 180931Z

BE MODEST.

2. WE HAD FIRST INDICATION, WHICH WE DID NOT ENCOURAGE, THAT GOL MIGHT ASK FOR US ASSISTANCE LAST AUGUST, BUT HAD NO FORMAL REQUEST UNTIL NOVEMBER WHEN PRIME MINISTER JONATHAN MADE DIRECT APPEAL TO ME AND VISITING ASSISTANT SECRETARY EASUM TO HELP PROVIDE AMERICAN FOR JOB. REQUEST SUBSEQUENTLY BECAME DORMANT, HOWEVER, AS GOL CONSIDERED WHETHER POSITION COULD BE FILLED BY LESOTHO CITIZEN. WE UNDERSTAND IN CONFIDENCE THAT GOL CABINET HAS MADE UNANIMOUS DECISION THAT THERE IS NO QUALIFIED NATIONAL TO FILL POSITION AND THAT RECRUITMENT OF EXPATRIATE SHOULD PROCEED. PRIME MINISTER AND OTHER GOL OFFICIALS HAVE RECENTLY CONFIRMED TO US THEIR STRONG DESIRE TO HAVE QUALIFIED AMERICAN FILL POSITION AND REQUESTED US ASSISTANCE IN RECRUITING AND FUNDING POSITION. LENGTH OF TOUR WOULD BE EIGHTEEN MONTHS TO TWO YEARS AND INCUMBENT WOULD BE EXPECTED TRAIN MOSOTHO COUNTERPART TO ASSUME POSITION BY END OF THAT TIME.

3. MOST RECENT DIRECTOR OF LNDC WAS UNDP-SPONSORED WEST GERMAN WHO DEPARTED END OF FEBRUARY. (IBRD HAS PROVIDED TEMPORARY MANAGING DIRECTOR FOR PERIOD NOT TO EXCEED SIX MONTHS TO BRIDGE GAP WHILE GOL FINDS REPLACEMENT.) UNDP HAS CONFIRMED THAT IT IS WILLING TO CONTINUE PROVIDE UP TO ABOUT \$30,000 PER YEAR TOWARD FUNDING POSITION WITH UNDERSTANDING THAT AMERICAN WOULD BE RECRUITED FOR IT. GOL WOULD ALSO CONTRIBUTE SOMETHING TOWARD FUNDING. OPIC VICE PRESIDENT FOR FINANCE, HARRY FREEMAN, WHO WAS RECENTLY IN LESOTHO, BELIEVES FIRST-RATE AMERICAN INVESTMENT BANKER COULD BE RECRUITED FOR AROUND \$50,000 PER YEAR, THUS ACTUAL COST TO US, AFTER DEDUCTING UNDP AND GOL CONTRIBUTIONS, WOULD BE MODEST. (FREEMAN ALSO BELIEVES HAVING RIGHT MAN IN LNDC POSITION NEXT TWO YEARS COULD BE CRITICAL TO LESOTHO'S ECONOMIC DEVELOPMENT; YOU MAY WISH DISCUSS PROPOSAL WITH HIM.)

4. THE GOL ATTACHES GREAT IMPORTANCE TO THIS REQUEST AND I BELIEVE IMPORTANT US INTERESTS WOULD BE SERVED BY OUR FINDING WAY TO HELP FUND POSITION IN ORDER HELP GOL FILL IT WITH TOP-FLIGHT AMERICAN:

A. OUR RESPONSIVENESS TO REQUEST WILL HAVE BEARING ON
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MASERU 00290 180931Z

OUR BILATERAL RELATIONS.

B. UNDER KNOWLEDGEABLE AND DYNAMIC LEADERSHIP LNDC COULD BE OF SIGNIFICANTLY GREATER IMPORTANCE TO LESOTHO'S ECONOMIC DEVELOPMENT. SPECIFICALLY, APPROPRIATE AGRIBUSINESS INVESTMENTS FOR IN-COUNTRY PROCESSING OF AGRICULTURAL PRODUCTS COULD ADD CONSIDERABLY TO THE VALUE OF LESOTHO'S EXPORTS, IN ASSOCIATION WITH INTERNAL MARKETING IMPROVEMENTS ADD TO THE

INCOME OF THE RURAL PRODUCER, AND GENERATE EMPLOYMENT OPPORTUNITIES WHICH COULD RELIEVE POPULATION PRESSURE ON OVERCROWDED AGRICULTURAL LAND. IN ADDITION, IDENTIFICATION OF PROMISING MARKETING OPPORTUNITIES FOR SEASONAL (I.E., SOUTHERN HEMISPHERE) PRODUCTS IN ASSOCIATION WITH APPROPRIATE AGRONOMIC RESEARCH SHOULD IDENTIFY HIGH VALUE CROPS WHICH COULD BE GROWN AND PROCESSED IN COUNTRY. DEVELOPMENTS OF THIS NATURE, IN ADDITION TO OUR LAND AND WATER RESOURCES EFFORTS, ARE ESSENTIAL IF LESOTHO IS EVER TO BECOME MORE THAN AN EXPORTER OF LABOR FOR SOUTH AFRICAN MINES. I BELIEVE ASSISTANCE IN THIS AREA IS FULLY CONSISTENT WITH THE THRUST OF OSARAC DAP ON LESOTHO. FURTHERMORE, GIVEN OPIC'S CURRENT UNDERTAKING TO PROMOTE ADDITIONAL INVESTMENT IN THIS AREA, PROVISION OF LNDC MANAGING DIRECTOR WOULD REPRESENT A SIGNIFICANT EFFORT TOWARD A COORDINATED APPROACH FOR ACHIEVEMENT OF US POLICY INTERESTS IN SUCH DEVELOPMENT.

C. HAVING AMERICAN INVESTMENT BANKER IN CHARGE OF LNDC WILL OPEN UP CONTACTS WITH INVESTMENT CIRCLES IN US AND SERVE OUR POLICY INTEREST OF ENCOURAGING US INVESTMENT.

5. THERE ARE RISKS ASSOCIATED WITH HAVING AN AID-FINANCED PERSON IN SUCH KEY POSITION IN LESOTHO.

A. FIRST, THE AMERICAN INCUMBENT WOULD FACE THE INHERENT RISKS OF OCCUPYING AN EXPOSED, DECISION-MAKING POSITION.

B. SECOND, THERE IS ALSO POSSIBILITY THAT SHEER DIFFICULTY OF THE TASK WOULD MITIGATE AGAINST THE ABILITY OF ANY INCUMBENT SUCCESSFULLY ATTRACTING SIGNIFICANT NEW US INVESTMENT. SINCE SUCCESS WILL OBVIOUSLY BE ANTICIPATED, THIS COULD LEAD TO DISAPPOINTMENT WITH US ASSISTANCE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MASERU 00290 180931Z

6. I BELIEVE THESE OBJECTIONS CAN BE MET IN PART BY INSURING FIRM BACKING OF NEW DIRECTOR BY PRIME MINISTER AND MINISTER OF FINANCE, BY CAREFUL SELECTION OF RIGHT MAN FOR THE JOB, AND BY INSISTING ON HAVING LOCAL COUNTERPART IN TRAINING TO TAKE OVER POSITION. IN ANY CASE, I BELIEVE FACTORS IN FAVOR OUR FILLING POSITION OUTWEIGHT THOSE AGAINST, AND STRONGLY RECOMMEND WE DO EVERYTHING POSSIBLE TO PROVIDE THE REQUESTED ASSISTANCE.

7. I HAVE REVIEWED THIS REQUEST AND MESSAGE WITH THE RDO/ OSARAC WHO CONCURS IN MY RECOMMENDATION PROVIDED WE CAN OBTAIN FIRM ASSURANCES FROM THE GOL TO (A) FINANCE THE LOCAL SALARY COMMENSURATE WITH THE POSITION FOR THE INITIAL TOUR, (B) TO FINANCE FULLY ANY SUBSEQUENT SERVICES OF INCUMBENT IF HE PROVES SATISFACTORY AND LNDC WISHES TO RETAIN HIS SERVICES BEYOND AN INITIAL TWO YEARS, AND (C) ASSURE THE AVAILABILITY

FROM THE MINISTRY FINANCE OR LNDC RESOURCES SUFFICIENT FUNDS TO FINANCE FEASIBILITY STUDIES AND CONSULTANCIES WHICH THE MANAGING DIRECTOR DETERMINES IN CONSULTATION WITH THE BOARD ARE ESSENTIAL FOR THE SUCCESS OF LNDC OPERATIONS. FOLLOWING APPROVAL IN PRINCIPLE OSARAC WOULD PROCEED WITH DISCUSSIONS WITH THE GOL AND UNDP NECESSARY TO DETERMINE THE MAXIMUM NON-US SUPPORT WHICH COULD BE PROVIDED FOR THE POSITION.

8. I HOPE YOU WILL GIVE THIS MATTER YOUR CLOSE PERSONAL ATTENTION AND AID/W WILL APPROVE GOL REQUEST.
BOLEN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONNEL APPOINTMENTS, DEVELOPMENT PROGRAMS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MASERU00290
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750093-1096
From: MASERU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750341/aaaabkky.tel
Line Count: 180
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AID
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2003 by BoyleJA>; APPROVED <08 DEC 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOL REQUEST FOR MANAGING DIRECTOR FOR LNDC
TAGS: EAID, PINT, LT, LNDC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006